

Staff Recommendation
Service Quality Measurements
Performance Reports

Exhibit A

TRUNK GROUP PERFORMANCE

1. Comparative Trunk Group Service Summary

CLEC 1		CLEC Aggregate		BST CTTG		BST Local	
# Trk Grps Blocked	Total Trk Grps Measured	# Trk Grps Blocked	Total Trk Grps Measured	# Trk Grps Blocked	Total Trk Grps Measured	# Trk Grps Blocked	Total Trk Grps Measured
X	X	X	X	X	X	X	X

2. Trunk Group Service Report

CLEC 1											
BST Administered	Region										
	AL	GA	KY	LA	MS	NC	NF	SC	SF	TN	TOTAL
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 3% observed blocking	x	x	x	x	x	x	x	x	x	x	x
CLEC Administered											
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 3% observed blocking	x	x	x	x	x	x	x	x	x	x	x
TOTAL											
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 3% observed blocking	x	x	x	x	x	x	x	x	x	x	x

CLEC Aggregate											
BST Administered	Region										
	AL	GA	KY	LA	MS	NC	NF	SC	SF	TN	TOTAL
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 3% observed blocking	x	x	x	x	x	x	x	x	x	x	x
CLEC Administered											
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 3% observed blocking	x	x	x	x	x	x	x	x	x	x	x
TOTAL											
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 3% observed blocking	x	x	x	x	x	x	x	x	x	x	x
PCT1	x	x	x	x	x	x	x	x	x	x	x

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BellSouth South CTTG Trunk Group											
BST Administered	Region										
	AL	GA	KY	LA	MS	NC	NF	SC	SF	TN	TOTAL
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 2% observed blocking	x	x	x	x	x	x	x	x	x	x	x
Independent Administered											
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 2% observed blocking	x	x	x	x	x	x	x	x	x	x	x
TOTAL											
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 2% observed blocking	x	x	x	x	x	x	x	x	x	x	x

BellSouth Local Network											
BST Administered	Region										
	AL	GA	KY	LA	MS	NC	NF	SC	SF	TN	TOTAL
Total Trunk Groups:	x	x	x	x	x	x	x	x	x	x	x
Trk Grps Meas/Proc:	x	x	x	x	x	x	x	x	x	x	x
Tot Grps > 3% observed blocking	x	x	x	x	x	x	x	x	x	x	x

3. Trunk Group Service Detail

CLEC

ORDERED	TGSN	BST SWITCH	CLEC POT	DESC	OBSVD MAX BLKG	HR	TKS	VAL DAYS	NBR RPTS	RMKS
X	X	X	X	X	X	X	X	X	X	X

BST Common Transport Trunk Group

ORDERED	TGSN	TANDEM	END OFFICE	DESC	OBSVD MAX BLKG	HR	TKS	VAL DAYS	NBR RPTS	RMKS
X	X	X	X	X	X	X	X	X	X	X

BST Local Network

ORDERED	TGSN	A-End	Z-End	DESC	OBSVD MAX BLKG	HR	TKS	VAL DAYS	NBR RPTS	RMKS
X	X	X	X	X	X	X	X	X	X	X

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TRUNK GROUP PERFORMANCE

Trunking Definitions

Field Name	Description	Data Type
Switch	Identifier for the BellSouth end of the Trunk Group. Part of 37 character Common Language Location Identifier(CLLI) code.	AlphaNum(11)
POT	Identifier for the CLEC Point of Termination(POT)of the Trunk Group. Part of 37 character Common Location Language Identifier(CLLI) code.	AlphaNum(11)
TANDEM	Identifier for the BellSouth Tandem end of the Trunk Group. Part of 37 character Common Language Location Identifier(CLLI) code.	AlphaNum(11)
END OFFICE	Identifier for the BellSouth End Office of the Trunk Group. Part of 37 character Common Location Language Identifier(CLLI) code.	AlphaNum(11)
A-END	Identifier for the BellSouth Originating/Low Alpha end of the Trunk Group. Part of 37 character Common Language Location Identifier(CLLI) code.	AlphaNum(11)
Z-END	Identifier for the BellSouth Terminating/High Alpha end of the Trunk Group. Part of 37 character Common Location Language Identifier(CLLI) code.	AlphaNum(11)
DESCRPT	Describes function/operation of the Trunk Group. Part of 37 character Common Language Location Identifier(CLLI) code.	AlphaNum(15)
TGSN	Unique trunk group identifier. (Trunk Group Serial Number)	AlphaNum(8)
OBSVD BLKG	Blocking ratio determined from traffic data measurement.(Total number of calls blocked/Total number of calls attempted)	Numeric

TRUNK GROUP PERFORMANCE

Trunking Definitions (Continued)

Field Name	Description	Data Type
TKS	Total number of trunks in service in a trunk group	Numeric
VAL DAYS	Total number of valid days of measurement	Numeric
NBR RPTS	Number of consecutive monthly reports for which the trunk group exceeded the measured blocking threshold	Numeric(2)
RMKS	Cause of blocking and/or release plan	AlphaNum

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Collocation

Function:	Response Interval, Provisioning Interval and Timeliness for Providing Collocation Space to a CLEC in a BellSouth Central Office.
Measurement Overview:	Collocation is the placement of customer-owned equipment in BellSouth Central Offices for interconnecting to BellSouth's tariffed services and unbundled network elements. BellSouth offers both Virtual and Physical Collocation and will report its performance on these offerings separately. The milestones in the process for which measurements will be provided is: the average time to respond to a request after we have the complete application; the average time between receiving the bona fide firm order until the space is turned over to the CLEC; and the percentage of due dates on firm orders missed.
Measurement Methodology:	<p>1. Average Response Time = $\Sigma (\text{Request Response Date \& Time}) - (\text{Request Submission Date \& Time}) / \text{Count of Request submitted in Reporting Period}$.</p> <p>Definition: Measures the average time from the receipt of a complete and accurate Collocation Request (including receipt of Application Fees) to the date BellSouth responds in writing.</p> <p>Methodology: Manual</p> <p>2. Average Arrangement Time = $\Sigma (\text{Date \& Time Collocation Arrangement is Complete}) - (\text{Date \& Time Order for Collocation Arrangement submitted}) / \text{Total Numbers of Collocation Arrangements Completed during Reporting Period}$.</p> <p>Definition: Measures the Average Time from the receipt of complete and accurate Firm Order (including Fees) to date BellSouth completes the Collocation Arrangement [Called "BellSouth complete date". Assumes space and construction complete and network infrastructure complete.]</p> <p>Methodology: Manual</p> <p>3. % of Due Dates Missed = $(\text{Number of Orders not completed w/i ILEC committed Due Date during reporting period}) / (\text{Number of Orders scheduled for completion in reporting period}) \times 100$.</p> <p>Definition: Measures the percent of Collocation space request, including construction and network infrastructure, that are not complete on the due date.</p> <p>Methodology: Manual</p>

Reporting Dimensions:	Excluded Situations:
<ul style="list-style-type: none"> State, Regional and MSA³¹ Level Virtual Physical 	<ul style="list-style-type: none"> Any order canceled by the CLEC. Time for BST to obtain any permits Collocation contract negotiations
Data Retained Relating to CLEC Experience:	Data Retained Relating to BST Performance:
<ul style="list-style-type: none"> Report Month CLEC Order Number Application Submission Date Firm Order Submission Time Space Acceptance Date 	<ul style="list-style-type: none"> Report Month Application Application Response Firm Order BST Completion Data

³¹ Ibid.

RECEIVED

AUG 10 1998

LOUISIANA PUBLIC SERVICE COMMISSION
ADMINISTRATIVE HEARINGS DIVISION

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: BELL SOUTH
TELECOMMUNICATIONS, INC.
SERVICE QUALITY PERFORMANCE
MEASUREMENTS

DOCKET NO. U-22252
SUBDOCKET C

**MCI TELECOMMUNICATIONS CORPORATION'S
EXCEPTION TO INITIAL RECOMMENDATION**

MCI Telecommunications Corporation ("MCI") submits this exception to the Initial Recommendation of the Louisiana Public Service Commission ("LPSC" or "Commission") Staff, which was filed in the captioned proceeding on August 5, 1998. MCI applauds the LPSC Staff for finding that adequate performance measurements and standards for UNE and resold services are essential to the immediate development of local competition in Louisiana. MCI further commends the Staff for recognizing one of the major problems with BellSouth Telecommunications, Inc.'s ("BellSouth") proposal -- no disaggregation of data by product or service and insufficient geographic disaggregation.¹ The Initial Recommendation, however, does not implement the performance standards that Staff has recognized as essential, and further leaves many other essential items to possibly be adopted in the future.

¹ MCI supports LPSC Staff's efforts to require BellSouth to further disaggregate data by product, service and geography. In response to Staff's statement that more disaggregated data is provided to CLECs on BellSouth's web site, however, MCI reminds Staff that the data available is CLEC data only. Thus, CLECs will still not have the disaggregated BellSouth data necessary to determine whether parity exists.

For these reasons, MCI urges the Staff to reconsider certain findings and recommendations contained in the Initial Recommendation as set forth below.²

SUMMARY

MCI urges the LPSC Staff to amend its Initial Recommendation and adopt the following positions in its Final Recommendation to the Commission:

1. The LPSC should adopt the Local Competition Users Group ("LCUG") performance standards for all functions provided by BellSouth to CLECs, regardless of whether a retail analog exists for such functions.
2. The LPSC should order BellSouth to provide a complete list of every internal measurement, including the types of local data collected via those measurements, and at least three (3) years of historical data regarding BellSouth's performance to itself and its customers.
3. The LPSC should adopt the LCUG's z-test statistic as the one appropriate measure for determining whether BellSouth is providing parity to CLECs.
4. The LPSC should adopt MCI's proposed self-executing enforcement mechanisms or, at a minimum, some form of self-executing enforcement mechanisms to deter BellSouth from providing discriminatory service to CLECs.

² The fact that MCI does not address every aspect of the Initial Recommendation should not necessarily be considered as assent to the Staff's other findings and recommendations.

ARGUMENT

I. The LPSC Should Adopt Performance Standards For All Functions Provided By BellSouth To CLECs.

MCI concurs with the LPSC Staff's conclusion in the Initial Recommendation that performance standards should be established for those functions where no retail analog exists. Initial Recommendation p. 9. MCI also agrees that unless performance standards are established where no retail analog exists, it will be impossible for the Commission to determine if BellSouth is providing services to CLECs in a nondiscriminatory manner and in a manner that provides an efficient CLEC a reasonable opportunity to compete.

Because it will be impossible for the Commission to protect CLECs from BellSouth discrimination and unreasonable service until performance standards are established, the Commission must adopt performance standards NOW. In a newly forming competitive market where the existing monopoly has the ability and the incentive to discriminate against its competitors, adequate protections cannot wait. A CLEC's reputation as well as the attitude of Louisiana consumers toward competition in the local telecommunications market will be formed in the initial stages of competition. A CLEC will not have a second chance to make a first impression.

If this Commission waits until BellSouth conducts benchmarking studies to establish performance standards, it will be open season on CLECs. BellSouth will have *no* standard of performance that it will be required to provide to CLECs. Considering BellSouth's anti-competitive behavior up to this point, one can only imagine BellSouth's behavior toward

CLECs once BellSouth is awarded entry into the long distance market in Louisiana. The Federal Communications Commission ("FCC") is currently considering BellSouth's 271 application. This Commission needs to have adequate protections in place before the cat is out of the bag. MCI strenuously urges the LPSC Staff to reconsider its position and recommend adoption of the LCUG performance standards for those functions with no retail analog. At a minimum, these standards should be adopted by the LPSC pending the results of the benchmarking studies.

As for the benchmarking studies, MCI requests the LPSC Staff to clarify the deadline for BellSouth to complete the benchmarking studies. In the Initial Recommendation, Staff recommended that the benchmarking studies and their associated methodology be refined over the next six (6) months with the continuation of workshops on performance measures. Initial Recommendation p. 10. MCI urges the LPSC Staff to establish a six (6) month deadline for BellSouth to complete the benchmarking studies. BellSouth's witness, Bill Stacy, indicated at the Technical Conference, held July 23, 1998, that BellSouth would need 30 months of data and performance before a statistically valid benchmark could be established. See Transcript at p. 195. While this assertion is consistent with BellSouth's tactic of delay, it is inconsistent with the LPSC's goal of immediately opening the local telecommunications market to competition. A statistically valid benchmark could be based on 30 days or 30 weeks worth of data. MCI urges the Staff to recommend a specific deadline of at most six months for completion of the benchmarking studies. BellSouth's position regarding the time necessary to complete the benchmarking studies further illustrates the

need for this Commission to adopt at least interim performance standards pending completion of those studies. This would not only provide protections currently needed by CLECs, it would give BellSouth the incentive to complete the benchmarking studies.

Although MCI is not opposed to a BellSouth benchmarking study, MCI encourages the LPSC and Staff to remain focused on the ultimate goal of providing CLECs with a meaningful opportunity to compete. In other words, when setting performance standards for those functions with no retail analog, the focus should be on what level of service the CLEC requires from its sole supplier in order to compete against that supplier. It would be fundamentally erroneous to completely rely on what would undoubtedly be a self-serving BellSouth study to establish standards for its competitors. This Commission, not BellSouth, should decide under what standard BellSouth will need to provide services to CLECs so that CLECs are afforded a meaningful opportunity to compete.

Not only should the LPSC adopt performance standards for those functions with no retail analog, the LPSC should also establish performance standards for functions where a retail analog exists. Performance standards for those function with a retail analog are also necessary to provide an efficient CLEC with a reasonable opportunity to compete.

The source of the "meaningful opportunity to compete" standard is the federal Telecommunications Act's (the "Act") requirement that UNEs, resale and interconnection be provided on reasonable terms and conditions. 47 U.S.C. § 251. This requirement is not limited to those functions that have no retail analog. CLECs are entitled to reasonable service from BellSouth, period. In order to have a meaningful opportunity to compete,

CLECs must be assured some minimum level of performance and should not be subjected to the wild fluctuations in service from BellSouth based on some notion of parity. To ensure that BellSouth will provide reasonable service to CLECs, performance standards should be adopted for all functions provided by BellSouth to CLECs.

As the LPSC Staff stated in its Initial Recommendation, the "FCC requires at a minimum that ILECs provide parity and service to CLECs for those processes where retail analog exists." Initial Recommendation, p. 8. (Emphasis added). It is up to the LPSC to set performance standards for those functions with a retail analog to maintain at least a minimum level of performance. If the LPSC fails to establish such performance standards, BellSouth could render poor performance to CLECs if BellSouth allows its own performance to decline. To borrow a phrase coined by Commissioner Dixon at the Technical Conference, without performance standards for those functions with a retail analog, "so goes Bell, so goes the CLECs." Transcript, pp. 200-201. Performance standards will ensure that MCI receives a consistent and adequate level of service from BellSouth. Even as parity fluctuates, MCI will know the minimum level of service to expect in making service commitments to its customers. Without such minimum performance standards, BellSouth will have the ability to directly control the service experience received by CLEC customers.

LPSC Staff's suggestion that the Commission wait until BellSouth's Louisiana operations are performing at substandard level to set minimum performance standards will be of no conciliation to those CLECs that have lost customers or gone out of business due to BellSouth's substandard performance. Moreover, how is the Staff to determine whether

BellSouth is providing substandard performance without objective performance standards? MCI encourages the LPSC Staff to be proactive, not reactive, and recommend adoption of performance standards for those functions with a retail analog.

At a minimum, the LPSC Staff should recommend adoption of the LCUG standards in the interim, gather additional information from BellSouth and CLECs, and establish permanent performance standards for those functions with a retail analog. BellSouth's witness, Bill Stacy, admitted that BellSouth has sufficient information to establish a statistically valid benchmark for some functions that BellSouth provides to itself, i.e., those functions having a retail analog. See Transcript, pp. 195-198. Therefore, the LPSC could quickly gather and consider this information in establishing performance measures for those functions.

The LPSC should order BellSouth to provide a complete list of every internal measurement, including the types of local data collected via those measurements, and at least three (3) years of historical data regarding BellSouth's performance to itself and its customers. Until BellSouth produces such information, which to date it has refused to do, this Commission and the CLECs will be "in the dark" as to all of the information BellSouth actually has at its disposal to monitor its performance to itself. This information would be useful in establishing performance standards for those functions with a retail analog.

If the LPSC refuses to adopt performance standards where a retail analog exists, MCI still encourages the LPSC to order BellSouth to provide at least three (3) years of historical data indicating the service BellSouth has provided to itself. This information will be relevant

to determine whether BellSouth's performance to itself and CLECs begins to decline with the advent of competition.

II. The Appropriate Statistical Model To Determine Parity Is The LCUG's Proposed Z-Test Statistical Model

MCI commends the LPSC Staff for recommending that the Commission order BellSouth to perform statistical testing using the modified z-test. MCI also appreciates Staff's concern regarding the novelty of performance measurement issues. Nevertheless, CLECs are attempting to compete with BellSouth TODAY. Without the adoption of a particular statistical model that this Commission and the CLECs can rely on to determine whether BellSouth is providing parity service to CLECs, CLECs will clearly be at a competitive disadvantage. MCI encourages the LPSC Staff not to buy into BellSouth's delay tactics. If the results of the z-test, or some statistical model designed to determine parity, are not binding on BellSouth, in effect, BellSouth is relieved from providing parity service to CLECs until such time as the LPSC adopts the z-test or some other parity statistical model.

Although the LPSC Staff expressed concern that the z-test (as well as SPC) has not been tested or evaluated on real performance measurements, MCI reminds the LPSC Staff that the z-test has been tested and evaluated using simulated data to verify the statistical model's performance. See Transcript pp. 415-416.

Regarding the LPSC Staff's recommendation that the Commission order BellSouth to perform statistical testing using statistical process control ("SPC"), MCI reiterates that SPC is not suitable to measure parity between ILECs and CLECs. For this reason, there is

simply no basis for applying SPC to determine whether BellSouth is discriminating against MCI and other CLECs.

In conclusion, MCI supports the Staff recommendation to the extent it recommends that BellSouth perform statistical testing using the modified z-test.³ MCI encourages the LPSC Staff to recommend that the results of the z-test be binding on BellSouth upon adoption of the LPSC order. The LPSC could revisit the issue in six (6) months, if necessary. If MCI has misunderstood the Staff's Initial Recommendation, MCI encourages the Staff to make the binding nature of the z-test results clear in its Final Recommendation.

III. The LPSC Should Adopt MCI's Proposed Self-Executing Enforcement Mechanisms.

In its Initial Recommendation, the LPSC Staff concluded that it was premature to set enforcement mechanisms at this time. LPSC further stated that it was mindful the concerns raised by CLECs that BellSouth has no economic incentive to provide competing carriers with performance equal to what BellSouth provides to itself or its affiliates. MCI asserts that without established performance standards, a binding statistical model to determine parity and some form of self-executing enforcement mechanisms (none of which LPSC Staff has proposed in the Initial Recommendation), BellSouth will have considerable economic

³ MCI further reminds LPSC Staff that the z-test can be performed simply and efficiently on a regular personal computer. Thus, LPSC Staff should reject any claims that BellSouth may make that performing both the z-test and SPC will be overly burdensome or costly.

incentive to discriminate against the CLECs, especially after it is authorized to provide long distance services in Louisiana.

LPSC Staff has instead recommended the use of the dispute resolution procedures proposed by BellSouth, which were adopted by the Georgia Commission. Without performance standards, at least for those functions with no retail analog, and no statistical model from which binding results will be produced, an Administrative Law Judge assigned to a complaint filed by a CLEC will be virtually powerless to determine whether BellSouth has violated its obligation to provide parity to a CLEC. Meanwhile, CLECs are expected to compete against a company that has every incentive to discriminate against them.

MCI urges the LPSC to amend its Initial Recommendation to provide for the adoption of performance standards for functions provided by BellSouth to CLECs, adoption of the z-test as the statistical model to determine parity, and adoption of self-executing enforcement mechanisms sufficient to provide BellSouth with the incentive to provide nondiscriminatory service to CLECs.

If BellSouth believes that it has been assessed a performance credit that it does not deserve, it can file a proceeding with the LPSC to review the assessment. With the modified z-test, these instances should be very few, if any. Further, BellSouth will have a greater incentive to ensure parity of service is provided to the CLECs. On the other hand, to require CLECs to bring an action before this Commission only to be awarded what BellSouth should have provided them in the first place will give BellSouth incentive to discriminate against CLECs. Many CLECs will simply not be able to afford to bring an action before the LPSC.


Other CLECs may simply believe that any remedy would be too late; after all, BellSouth would have already discriminated against them, possibly resulting in a customer leaving the CLEC and returning to BellSouth. In effect, BellSouth will get away with discriminating against CLECs. As a result, CLECs, Louisiana consumers and local competition will suffer. Being a CLEC in Louisiana should not be about constantly litigating against an uncooperative monopoly like BellSouth, it should be about providing quality local service to consumers for a fair price. It is up to the Commission and its Staff to make the right choice. At a minimum, the LPSC Staff should recommend adoption of some form of self-executing enforcement mechanisms to deter BellSouth from providing discriminatory service to CLECs.

CONCLUSION

MCI urges the LPSC Staff amend its Initial Recommendation and to recommend in its Final Recommendation that the Commission: (1) adopt the LCUG performance standards for all functions provided by BellSouth to CLECs, regardless of whether a retail analog exists for such functions; (2) order BellSouth provide a complete list of every internal measurement, including the types of local data collected via those measurements, and at least three (3) years of historical data regarding BellSouth's performance to itself and its customers; (3) adopt the LCUG's z-test statistic as the one appropriate measure for determining whether BellSouth is providing parity to CLECs; and (4) adopt MCI's proposed self-executing enforcement mechanisms or, at a minimum, some form of self-executing

enforcement mechanisms to deter BellSouth from providing discriminatory service to CLECs.

Respectfully submitted:



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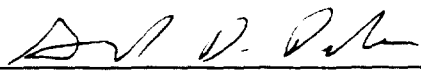
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing has this date been served via hand delivery, electronic mail, facsimile and/or overnight mail to all persons on the Official Service List.

Baton Rouge, Louisiana, this 10th day of August, 1998.



Gordon D. Polozola

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

-----X
In the Matter of:)
)
INVESTIGATION CONCERNING THE)
PROPRIETY OF PROVISION OF)
INTERLATA SERVICES BY BELL SOUTH)
TELECOMMUNICATIONS, INC.,)
PURSUANT TO THE) NO. 96-608
TELECOMMUNICATIONS ACT OF 1996.)
-----X

Depositions of GREG BERMAN and JACK
RUNNELS, taken by MCI pursuant agreement of
counsel, before Carolyn J. Smith, Certified
Shorthand Reporter, Registered Professional
and Merit Reporter, and Notary Public, at
675 West Peachtree Street, Suite 4200
BellSouth Center, Atlanta, Georgia, on the
14th day of August, 1998, commencing at
approximately 9:45 a.m.

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<p>1 APPEARANCES OF COUNSEL:</p> <p>2 For the BellSouth:</p> <p>3 THOMAS B. ALEXANDER, Esq.</p> <p>4 CREIGHTON E. MERSHOW, SR., Esq.</p> <p>5 BellSouth Telecommunications, Inc.</p> <p>6 Suite 4300 BellSouth Center</p> <p>7 675 West Peachtree Street</p> <p>8 Atlanta, Georgia 30375</p> <p>9 For MCI:</p> <p>10 DOLANEY L. O'ROARK, Esq.</p> <p>11 SUSAN J. BERLIN, Esq.</p> <p>12 Suite 700</p> <p>13 780 Johnson Ferry Road</p> <p>14 Atlanta, Georgia 30342</p> <p>15 For AT&T:</p> <p>16 MICHAEL A. HOPKINS, Esq.</p> <p>17 McKenna & Cuneo, L.L.P.</p> <p>18 1900 K Street, N.W.</p> <p>19 Washington, D.C. 20006-1108</p> <p>20 For Sprint:</p> <p>21 WILLIAM R. ATKINSON, Esq.</p> <p>22 CAROLYN TATUM RODDY, Esq.</p> <p>23 3100 Cumberland Circle</p> <p>24 Atlanta, Georgia 30339</p> <p>25 For Kentucky PSC (Via Telephone):</p> <p>AMY DOUGHERTY, Esq.</p> <p>For Albion International, Inc.:</p> <p> JASON D'CRUZ, Esq.</p> <p> Hunter, MacLean, Exley & Dunn, P.C.</p> <p> Suite 640</p> <p> 1355 Peachtree Street, N.E.</p> <p> Atlanta, Georgia 30309</p>	<p>1 Page 5</p> <p>2 me, there is no formal notice or subpoena issued.</p> <p>3 And we also have Mr. Berman here from Albion</p> <p>4 testifying.</p> <p>5 BellSouth, as yesterday with the</p> <p>6 M/A/R/C Research witness that MCI requested a</p> <p>7 representative from, will be defending the</p> <p>8 information attached to Mr. Stacy's testimony in</p> <p>9 the case as it relates to Albion.</p> <p>10 And that's the only purpose that</p> <p>11 BellSouth has voluntarily agreed to produce these</p> <p>12 individuals is to talk about the report in the</p> <p>13 Kentucky Case 96-608 that Albion had done for</p> <p>14 BellSouth in this, styled Ordering/Pre-ordering</p> <p>15 Integration Interface Software. And Albion --</p> <p>16 their letterhead is on that. And it's their work</p> <p>17 product.</p> <p>18 Albion also has an attorney here. I'll</p> <p>19 let you give your name.</p> <p>20 MR. D'CRUZ: Jason D'Cruz from Hunter,</p> <p>21 MacLean, Exley & Dunn here in town.</p> <p>22 MR. ALEXANDER: And with that, is there</p> <p>23 anything else we need to get started? I guess</p> <p>24 we'll allow MCI -- need to swear the witnesses in</p> <p>25 first today. Let's do that, and then we'll turn</p> <p>it over to MCI to start.</p>

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MR. D'CRUZ: Are we going to do a panel?

MR. ALEXANDER: Oh, we need to clarify that. We have them sitting here together as a panel. If you want them as a panel, that's fine. If you don't, we can do them individually. We would offer up Mr. Berman as the project manager first, and then Mr. Runnels, in that order, if you want them individually.

But just thought it might expedite them to offer them as a panel. But it will be your choice. The only caveat I would put in is if you do them individually and a question comes up that you should have asked the one first, there's not a second deposition.

There's one deposition each, which I think everybody agrees is fair, particularly if we're offering them as a panel. With that understanding, we will leave it up to the intervenors' counsel to choose a panel or individually.

MR. O'ROARK: Panel is okay with me.

MR. HOPKINS: Panel is fine with me, provided that if we choose, we can direct a question to a particular panel member.

1 BY MR. RUNNELS:

2 A. No.

3 Q. Has anybody explained to you what a deposition is about and how it works?

5 BY MR. BERMAN:

6 A. Yes.

7 BY MR. RUNNELS:

8 A. Yes.

9 Q. Let me give you just a couple of ground rules. As you can tell, I'm going to be asking you a series of questions. We have a reporter who is going to be taking down my questions and your responses. If I ask you or if any other attorney asks you a question and it's not clear to you, feel free to say that and ask us to rephrase so that we can be as clear as we possibly can.

17 Now I understand that you are both, as Albion representatives, being represented by counsel today; is that right?

20 BY MR. BERMAN:

21 A. That's correct.

22 Q. And your counsel is Mr. D'Cruz?

23 A. That's correct.

24 Q. Mr. Berman, let me direct a few questions to you on general background. Can you

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MR. ALEXANDER: That's okay. However, if another one of these gentlemen thinks they are more appropriate to answer it, I think they should be allowed to respond after the one you've directed it to has given their answer. With that understanding, it's not a problem.

All right. I guess you guys are as a panel. And we'll let the court reporter swear you in.

GREG BERMAN and JACK RUNNELS, having been first duly sworn, were examined and deposed as follows:

EXAMINATION

BY MR. O'ROARK:

Q. Mr. Berman, Mr. Runnels, my name is De O'Roark. And I represent MCI. Let's start -- I didn't get to meet you before the deposition. Can you tell me who is who? Who is Mr. Berman, and who is Mr. Runnels?

BY MR. BERMAN:

A. This is Mr. Runnels. My name is Greg Berman.

Q. Have either of you been deposed before?

A. No.

1 give us a thumbnail sketch of your educational background after high school?

3 A. My educational background?

4 Q. Yes, sir.

5 A. My undergraduate degree is from Auburn University in 1988; in operations research. I've got a Master's degree from the University of Texas in Dallas, 1991.

9 Q. What did you get your Master's in?

10 A. Information systems.

11 Q. Which is basically computers?

12 A. That's correct.

13 Q. After '91, can you give me a thumbnail sketch of your employment background?

15 A. I worked for Texas Instruments in Dallas for six years. After Texas Instruments, I worked for -- started working for a consulting company in Dallas called Montare International, M-o-n-t-a-r-e.

20 Q. That was in roughly 1997?

21 A. No. That was in -- actually, let me back into this. Prior to working for Albion for two years, I worked for Brannon & Tully here in Atlanta for two years. Started with Albion in 1996, June 1.

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1 Prior to the two years of Brannon &
2 Tully, I worked for Montare for a little over a
3 year. And then all of my previous work experience
4 was at Texas Instruments in Dallas, back to 1988.

5 Q. And is all that work experience in
6 computer programming and management?

7 A. That's correct.

8 Q. Mr. Runnels, why don't we go with the
9 same questions with you. Can you give us your
10 educational background after high school?

11 BY MR. RUNNELS:

12 A. Yes. I graduated from Texas A&M
13 University in 1996 with a degree in what they
14 called business analysis and research but what
15 most universities would probably call MIS.

16 Q. Okay. And any education after that?

17 A. No.

18 Q. Did you come to work directly for
19 Albion?

20 A. No.

21 Q. Who did you go to work for first?

22 A. I worked for PageNet, corporate
23 headquarters in Plano, Texas.

24 Q. How long did you work for PageNet?

25 A. I worked at PageNet starting in January

1 what line of business it's in?

2 BY MR. BERMAN:

3 A. Sure. Albion specializes in software
4 consulting and systems integration, mainly in
5 three vertical markets of telecom, insurance, and
6 health and human services. Corporate headquarters
7 is here in Atlanta. We've got offices in Dallas,
8 Washington, D.C., and Boston.

9 Q. How many employees does it have?

10 A. I wouldn't know that.

11 Q. More than a hundred?

12 A. No.

13 Q. Prior to this engagement, the one that
14 brings you here today, had Albion done any work
15 for BellSouth?

16 A. No.

17 Q. Has Albion done any other work for
18 BellSouth since you began the OPII project?

19 A. Yes.

20 Q. Can you tell us in general terms what
21 that work has involved?

22 A. We currently have an ongoing project
23 with BellSouth Communication Systems out of
24 Roanoke Virginia. And for project particulars,
25 Mr. Runnels is on that project.

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1 of 1997 until February of this year.

2 Q. So I take it you came to Albion in
3 February of 1998?

4 A. That is correct.

5 Q. And sounds like the OPII project was
6 one of your first projects at Albion?

7 A. It was the first project, yes.

8 Q. Do either -- I'll take one at a time.

9 Mr. Berman, do you have any experience in the
10 telephone business, work experience?

11 BY MR. BERMAN:

12 A. No, sir.

13 Q. Have you done any computer work in the
14 telephone industry before this project?

15 A. No, sir.

16 Q. And then the same to you, Mr. Runnels.

17 Do you have any work experience in the telephone
18 industry?

19 BY MR. RUNNELS:

20 A. No.

21 Q. And had you done any computer work in
22 the telephone industry before this project?

23 A. No.

24 Q. Mr. Berman, what kind of work does

25 Albion do? Can you give me kind of a scope of

1 Q. Mr. Runnels, I'm not looking for a
2 great deal of detail. Can you give me a one-line
3 summary of the kind of work you're doing on that
4 project?

5 BY MR. RUNNELS:

6 A. The kind of work that we're doing is
7 converting a Legacy system into an object-oriented
8 system using Forte -- which is the software
9 environment that we use to develop our
10 applications -- specifically to replace their
11 billing, costs, pricing and order entry systems.

12 Q. I'd like to ask you a few questions
13 about your engagement for this project, the OPII
14 project. And, Mr. Berman, why don't I try to
15 direct these questions to you.

16 When was Albion first contacted by
17 BellSouth about the OPII project?

18 BY MR. BERMAN:

19 A. I was not a part of the original sales
20 call, so I don't know the answer to that.

21 Q. When did you become involved in the
22 project?

23 A. I became involved in the project -- I
24 became aware of the project by mid February.

25 Q. OPII stands for Ordering/Pre-ordering

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Integration Interface; is that right?

A. That's correct.

Q. And OPII is the name of the software that Albion developed for this project?

A. That's correct.

Q. Describe any meetings that you can between Albion and BellSouth when this engagement was discussed, the formulation of this engagement.

A. I was not a part of any of those meetings.

Q. Who was for Albion?

A. Our salespeople.

Q. Who at Albion directed you to participate in the project?

A. Rob Marchant, M-a-r-c-h-a-n-t.

Q. Is he a salesperson?

A. He performs technical sales for our company.

Q. Albion's assignment was to prove the integration viability of the BellSouth pre-order CGI interface and the BellSouth ordering EDI interface; is that right?

A. That's correct.

Q. Did Albion help determine the

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1 was there other work that you did for BellSouth,
2 or were these projects that you discussed but did
3 not undertake?

4 A. The tag project, we did not undertake.
5 Solely a proposal.

6 Q. Any other project that you undertook?

7 A. No.

8 Q. Was there any other project that you
9 discussed but did not undertake?

10 A. No.

11 Q. Coming back to OPII and the development
12 of the assignment, did you and BellSouth work
13 together to determine what the assignment would
14 be, or did BellSouth just give it to you?

15 A. BellSouth told us what they would like
16 to do, what they would want us to do.

17 Q. Did BellSouth direct Albion to carry
18 out the assignment by developing a prototype
19 interface that could process an order for service
20 to a new residence?

21 A. That's correct, but I would say that
22 it's not really a prototype. It's actually a --
23 the application itself is built upon the premise
24 with various patterns that are proven in
25 production already, the components and class

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1 assignment, or was it simply given to you by
2 BellSouth?

3 A. Can you rephrase what you mean by
4 determine?

5 Q. Sure. What I'm trying to get at is was
6 this an assignment that BellSouth simply gave you,
7 or did you work together to determine what the
8 assignment would be?

9 A. This is the results of -- BellSouth
10 came to Albion to perform this assignment. We had
11 previously been working with BellSouth on other
12 proposals.

13 Q. What other proposals had you worked
14 with BellSouth on?

15 A. BellSouth's new telecommunications
16 access gateway.

17 Q. Can you explain what you mean by that?

18 A. In its previous life, its name is the
19 Wholesale API Gateway.

20 Q. Was that proposal in any way related to
21 the OPII project?

22 A. No.

23 Q. Well, let me take one step back,
24 because I had asked you about other work that you
25 had done for BellSouth. I gather -- well, tell me

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1 libraries that we have in production of other
2 accounts.

3 The application itself, the OP
4 application itself, is an N-tier or three-tier
5 client server application. It is a full client
6 server application architecture.

7 Q. BellSouth directed you to develop
8 software that would perform an integration at some
9 level; is that correct?

10 A. That's correct.

11 Q. Albion produced software with functions
12 for order processing, obtaining administrative
13 information and viewing CSRs; is that right?

14 A. That's correct.

15 BY MR. RUNNELS:

16 A. May I interject?

17 Q. Sure.

18 A. Actually, it wasn't obtaining
19 administrative information. That was information
20 that -- we were acting as a CLEC --

21 (A discussion was had off the record.)

22 A. -- in that we were developing an
23 interface as a CLEC would develop it. There is
24 certain information that can be retrieved from
25 BellSouth via the CGI interface that is not

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1 necessarily needed to be retrieved that way, would
2 more readily be or more likely be stored in the
3 CLECs database.

4 So actually we were -- the piece that
5 you're referring to was maintaining that
6 information. In other words, we were actually
7 entering that information ourselves into a
8 database and offering, within the OPII
9 application, the means to maintain that
10 information.

11 Q. Was Albion instructed to develop those
12 functions when the assignment was first given, or
13 did the scope of the software evolve over time?
14 I'm directing that to Mr. Berman.

15 BY MR. BERMAN:

16 A. Can you clarify that? The
17 administrative piece?

18 Q. No. I'm referring to all three
19 functions now. We've talked about what the
20 general scope was, the order, and the
21 administrative viewing CSRs. What I'm asking you
22 is, was that scope given to you when the
23 assignment was first given, or did it evolve over
24 time?

25 A. It evolved over time. When the

1 were asked to parse the CSR a week before that.

2 Q. What specific instructions were you
3 given with respect to parsing CSR data?

4 A. I cannot answer that. I'd have to
5 defer that.

6 Q. Okay. Mr. Runnels, do you know the
7 answer to that question?

8 BY MR. RUNNELS:

9 A. The answer to that question is that we
10 were -- I was asked to show that I could parse the
11 CSR. And I asked to what level should I do that.
12 And my primary business contract for this was Alex
13 Dizon, D-i-z-o-n, for BellSouth.

14 And he said, "We understand that" -- at
15 this point, when I started working on it, I only
16 had a few days. And he said to do it to the level
17 that you can, realizing that you only have a few
18 days, that we just want to show that it can be
19 done. So I did what I could do in a few days.

20 Q. Was there anybody else besides
21 Mr. Dizon who talked to you about the CSR part of
22 the project at BellSouth?

23 A. As far as requirements for it?

24 Q. Yes.

25 A. No.

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1 assignment was first given, it was for order
2 processing of new service residential. For
3 pre-order, that was address validation, reserving
4 telephone numbers, services and features, and
5 service availability, installation functionality,
6 as well as the integration with the PC-EDI for the
7 firm order.

8 Further into the project, we were asked
9 to do -- parse the CSR record. Effectively as we
10 finished up the application, when we had some
11 time, we were asked to perform that.

12 Q. Same for the administrative
13 maintenance?

14 A. The administrative piece, it became
15 apparent during -- no. Originally for parts of
16 the administrative piece, it was apparent that we
17 were going to integrate our information systems
18 with this application. Working our way through
19 the application, we found other places that we
20 could show that integration as well.

21 Q. Do you recall roughly when in the life
22 of this project you were asked to try to parse CSR
23 information?

24 A. Very late. The actual integration or
25 development effort ended April 30th, 1998. We

1 Q. We'll get into the details of what you
2 did a little later.

3 A. Okay. No. There was no one else.

4 Q. Mr. Berman, do you have your report in
5 front of you?

6 BY MR. BERMAN:

7 A. Yes, sir.

8 Q. I'll be referring to it from time to
9 time. For the record, this is Exhibit WNS-1 in
10 KPSC Case Number 96-608. It's the report prepared
11 by Albion.

12 Let me ask you to turn to page 4,
13 Mr. Berman.

14 MR. ALEXANDER: Can you just, if you
15 don't mind, tell us what's at the top of the
16 page. My page numbers are cut off on the bottom.
17 Just so I know I'm on the right page.

18 MR. O'ROARK: Actually, I do have an
19 extra, Tom.

20 MR. ALEXANDER: Okay. That's great.

21 (A discussion was had off the record.)

22 (Deposition Exhibit No. Berman 1
23 was marked for identification.)

24 BY MR. O'ROARK:

25 Q. Mr. Berman, for the record, can you